



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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ATLANTA, GEORGIA 30303-8960

JAN 25 2016

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, D.C. 20426

Re: Comments on the Final Environmental Impact Statement (FEIS) for the Proposed Southeast Market Pipelines Project, FERC Docket Numbers: CP14-554-000, CP15-16-000, and CP15-17-000; ERP No. FRC-E03020-FL-AL-GA; CEQ No.: 20150360

Dear Ms. Bose:

The United States Environmental Protection Agency is providing comments to the Federal Energy Regulatory Commission (FERC) on the Final Environmental Impact Statement (FEIS) pursuant to the Clean Air Act Section 309 and the National Environmental Policy Act (NEPA) Section 102(2)(C) requirements. The EPA provided comments on the Draft Environmental Impact Statement (DEIS) on October 26, 2015. Since sending those advisory comments, the EPA has continued to review the project, the DEIS, other available information from stakeholders, and has met with representatives of Sabal Trail Management, LLC, the project Applicants ("Applicants"), who provided additional information to the EPA addressing many of the issues raised in our DEIS letter.

The FERC proposes to license the construction of a total of 685 miles of natural gas transmission pipelines and associated facilities consisting of three separate pipeline projects (i.e., Transco's Hillabee Expansion Project, Sabal Trail and the Florida Southeast Connection). The Transco Hillabee Expansion project is approximately 50 miles long in Alabama, and allows this project to access natural gas supply at the Transco Station 85 with interconnections with Mid-Continent Express and Gulf South suppliers. The Sabal Trail project is approximately 515 miles of new pipeline and easements connecting to the Hillabee Expansion in central Alabama and running through southwest Georgia to Osceola County, Florida. The Florida Southeast Connection is at the southern end of the project and is approximately 127 miles long within Florida and connects the Sabal Trail Central Florida Hub to Florida Power and Light's Martin Clean Energy Center in Indiantown, FL.

The FERC has provided detailed responses to EPA's October 26, 2015, DEIS comments on pages O-2 to O-32 of the FEIS. The EPA has reviewed these responses and providing some additional comments on the FEIS and recommendations in the enclosure (See enclosure). The EPA requests that the environmental recommendations are considered by the FERC during the development of the environmental commitments for the Record of Decision (ROD) and the Applicants' final design plans.

The EPA recommends that the FERC and the Applicants continue to work closely with any affected Environmental Justice (EJ) communities, regulatory agencies on permitting issues, and other stakeholders as the proposed project proceeds. The EPA would appreciate receiving any additional information that becomes available during the permitting and licensing processes on the issues identified in the enclosure prior to the issuance of the ROD and/or the FERC's license to the Applicants.

Thank you for the opportunity to provide comments on the FEIS. The EPA requests a copy of the ROD (by CD or in written report form) when it becomes available for our administrative record. If there are any questions regarding the EPA's review of the FEIS and our enclosed technical comments, please contact Mr. Christopher Militscher, of my staff, at Militscher.chris@epa.gov or 404-562-9512.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Alan Farmer". The signature is fluid and cursive, with the first name "G. Alan" and the last name "Farmer" clearly distinguishable.

G. Alan Farmer

Director

Resource Conservation and Restoration Division

Enclosure

cc: Karin Leff, Acting Director, NEPA Compliance Division, EPA HQ
Tony Able, Chief, Wetlands Streams Regulatory Section, EPA R4
Philip Mancusi-Ungaro, Office of Regional Counsel, EPA R4

Enclosure
Southeast Market Pipelines Final Environmental Impact Statement
Alabama, Georgia and Florida
FERC Docket Numbers: CP14-554-000, CP15-16-000 and CP15-17-000
CEQ No.: 20150360

Pre-FEIS Coordination: The EPA reviewed the Applicants' November 9, 2015, letter to the FERC responding to comments the FERC received on the project including many of the issues the EPA raised in its October 26, 2015, letter. Furthermore, the EPA has reviewed the Applicants' December 4, 2015, letter which further addresses the comments the EPA raised on the DEIS. The FERC provided detailed responses to EPA's DEIS comments on pages O-2 to O-32 of the FEIS.

In the October 26, 2015, letter the EPA had identified environmental concerns with the potential impacts to wetlands, conservation areas, karst formation and drinking water supplies along the chosen route. The EPA also raised concerns over our perception of how the FERC process led to the preferred route, the scope of the Environmental Justice (EJ) review, and the review of the Liquid Natural Gas (LNG) alternative. A Clean Water Act Section 404 permit will be needed to discharge dredged or fill material into waters of the United States in order to construct the pipeline. The Applicants have applied for a permit and the U.S. Army Corps of Engineers (ACE) had this project out on public notice with the commenting period closing on December 11, 2015. The EPA submitted comments on December 11, 2015, addressing issues associated with the Section 404 permit and a copy of those comments to the ACE were submitted to the FERC. The EPA also entered the December 11, 2015, comments on the FERC docket and are part of the public record.

Liquefied Natural Gas (LNG) Alternative: In addition to considering a number of alternative routes, the FERC also reviewed the option of using LNG shipping as an alternative to deliver the natural gas to the delivery points. As noted in the DEIS and FEIS response to comments, LNG is transported daily throughout the world via LNG ship carriers. In the October 26, 2015 letter, the EPA recommended considering this option. As an alternative to constructing a pipeline, the FERC did consider the option of shipping domestic LNG across the Gulf of Mexico from sources in the upper Gulf, requiring associated onshore pipeline to transport the natural gas from the LNG facility to the SMP Project delivery points. However, the DEIS and FEIS noted that "there are no operating LNG terminals along the Florida panhandle or the west central coast of Florida." Although one facility, Port Dolphin, had been licensed as a deep water LNG import terminal in 2010, it would have been located about 28 miles offshore of Tampa, Florida and was never constructed. The FERC then determined that this alternative is not preferable to the proposed action. The clarifying information that the FERC has provided supports their conclusion that this is not a reasonable and feasible alternative that can meet the FERC's stated purpose and need.

Proposed Route Alternatives: The EPA acknowledges the FEIS response to comments on page O-2 (Item FA2-2) concerning the alternatives analysis that was conducted by the FERC for the proposed project and the different route alternatives, route variations, and compressor station locations considered during the National Environmental Policy Act (NEPA) process.

Avoidance and Minimization Measures: The EPA acknowledges the FEIS response to comments on page O-3 (Item FA2-3) and the revisions to the EIS that make the avoidance and minimization measures proposed clearer to the reader. The EPA provided additional comments on avoidance and minimization to the ACE and the FERC in its December 11, 2015, comment letter on the Section 404 permit

applications. The EPA requests that the FERC continue to work with the ACE and other regulatory agencies on the implementation of Best Management Practices (BMPs) and other potential measures identified in the FEIS to avoid and minimize impacts to jurisdictional resources as the proposed project moves forward. Avoidance and minimization measures to conservation lands and other environmentally sensitive areas were also discussed and addressed in the FEIS. The EPA recommends that the FERC and the Applicants continue to work with the stakeholders, landowners and other interested parties to resolve any remaining environmental issues as the project proceeds.

Water Withdrawals for Hydrostatic Testing: The EPA appreciates the additional information provided on surface water withdrawals to be used for hydrostatic testing of pipeline integrity, as well as median daily flows for relative comparison to rivers and springs. The EPA understands that approximately 146 million gallons of water will be needed for hydrostatic testing and horizontal direction drilling, where needed. Water will be reused in 10 of the 35 test sections and all water will be returned to the same basin where it was withdrawn. Water withdrawals will avoid low flow scenarios and all withdrawals will be subject to applicable state permits. The EPA notes that the FEIS did not provide the level of detail necessary to fully assess the relationship between the withdrawal rates and the flow rates at those withdrawal points. Once these details are formulated during the permitting processes, the EPA recommends that the withdrawal rates (volume/time) for each withdrawal point should be compared to stream flow for those waterbodies. The EPA is interested in ensuring applicable State water quality standards (WQS) are maintained and the avoidance and minimization of any potential adverse impacts to aquatic resources. The EPA requests a copy of this detailed information as soon as it becomes available.

Climate Change and Greenhouse Gases (GHG): Page 3-236 and Section 3.14.4 (Pages 3-295 to 3-298) of the FEIS includes additional discussion on GHG and climate change. Emissions associated with the project – both direct and indirect – are the best proxy for the impacts on climate change of the project. The Final EIS does not contain a detailed evaluation of these emissions, and makes a number of assumptions about the end use of the gas. FERC states in the FEIS that the operation of SMP project as proposed would result in the distribution and consumption of about 1,000,000 Dekatherms/day of natural gas, but does not contain evidentiary support for the conclusion that the project would not significantly contribute to GHG impacts.

In response to the EPA's DEIS recommendation to perform a life-cycle analysis the FERC characterized consideration of upstream development or downstream end use as speculative and not required by NEPA. The U.S. Department of Energy's National Energy Technology Laboratory's May 29, 2014, report: *Life Cycle Analysis of Natural Gas Extraction and Power Generation* that the FERC suggested stakeholders review, outlines the type of analysis that would provide the emissions estimates that FERC could use for this project. This type of analysis would be informative for decision-makers and the public and is appropriately provided at this stage of decision-making. We also recommend that the FERC use the emissions estimates in this report in future NEPA analyses of proposed projects to calculate the emissions from the transportation of natural gas, including the development, transportation, and end use of the natural gas.

Environmental Justice (EJ): The FEIS addresses EPA's EJ community concerns on page O-16 (Item FA2-23) and refers to an amended Section 3.10.4 of the DEIS. The DEIS provided information on EJ acknowledging that Executive Order 12898 Federal Action to Address Environmental Justice in Minority Populations and Low-Income Populations requires Federal agencies to consider if impacts on human health or the environment (including social and economic aspects) would be disproportionately high and adverse for minority and low-income populations and appreciably exceed impacts on the

general population or other comparison group. The FERC followed a three-step approach to conduct their EJ review. The three steps included: 1) determine the existence of minority and low-income populations; 2) determine if the impacts are high and adverse; and 3) determine if the impacts fall disproportionately on environmental justice populations.

Applying the first step, based on the U.S. Census, the SMP project, including the above-ground facilities and the pipeline, would be located across from or within 1 mile of 119 environmental justice populations. The FEIS identified additional EJ populations to total 135. Based on the DEIS, all of the proposed pipeline alternative routes appear to traverse areas with a relatively high percentage of minority and/or low-income population (50% or greater). The DEIS indicates that for the preferred route, 82% of the SMP project would cross or be within 1 mile of census tracts that are by definition minority and low-income populations. The FERC also evaluated the alternative routes the Applicants had identified as well as the routes proposed by commenters and found that with the exception of one route, for all the alternatives evaluated, 70 – 80% of the pipeline would cross or be within 1 mile of minority and low-income populations range. The FERC next considered whether the impacts would be considered a high and adverse impact on minority and/or low-income populations concluding it would not be. The FERC then considered whether the impacts would fall disproportionately on EJ populations. In Item FA2-23 of the FEIS, the FERC maintains that: "...the 'metric of miles of EJ Communities crossed' is sufficiently informative for the purpose of comparing alternatives considering that most project impacts are related to the length and location of the facilities relative to resources and our conclusion that limited impacts of the SMP Project would not have a disproportionately high and adverse impact on EJ communities".

On Page 3-218 of the FEIS it is stated that: "The potential noise attributable to the Albany Compressor Station at the nearest residences (Countryside Village Mobile Home Park) is estimated at less than the FERC's 55 dBA Ldn [decibel loudness] guideline. In addition, the noise increase at these residences would not be perceptible because it would be less than 3 dBA (FHWA, 2015)." As measured from the center of the compressor station site, the FEIS states that the nearest mobile home to the site is 'about 1,640 feet'. Other potential impacts to EJ residences are also addressed in the FEIS (e.g. Visual, dust, fugitive emissions, etc.) and the FERC has determined that the impacts would not be significant.

The EPA notes that the FERC has conducted public meetings and provided stakeholders with the opportunity to comment on the proposed project. Various stakeholders have expressed EJ concerns regarding the project route including the siting of compressor stations within or near communities with EJ concerns. The stakeholders expressed a variety of concerns regarding public safety and health including air quality and noise, dust, emissions and groundwater impacts. The EPA acknowledges that the Albany Compressor station and associated pipelines were relocated from the Newtown Road Site into an area with fewer minority and low-income populations. The EPA is also aware that the Applicants have continued to evaluate the EJ issues and discuss them with the stakeholders.

The EPA is concerned with FERC's finding that no disproportionately high and adverse impacts are present due to similarly high concentrations of minority and low-income populations residing within each of the proposed action's reasonable alternatives including those alternatives proposed by commenters. Referring to *Appendix A of CEQ's Environmental Justice Guidance Under the National Environmental Policy Act (1997)*, it indicates that the disproportionality of an impact should be considered in the context of whether it: "appreciably exceeds...those on the general population" (emphasis added).

We suggest that an appropriate analysis should compare minority and low-income populations in a given reasonable alternative to the general population, rather than minority and low-income populations residing within other reasonable alternatives, as the FERC has done. Due to adverse impacts from the proposed action being predominantly borne by minority and low-income populations for each of the reasonable alternatives, the EPA would like to continue these discussions with the FERC as this process moves forward.

As the approval processes moves forward, the EPA also encourages the FERC to consider taking steps to minimize the impacts to the communities as the pipeline is being installed. This could include, for example, the staging of the project and the timing of actual installation. The installation of vegetative screens, the use of appropriate dust controls and other BMPs during and after construction might also be considered during the final design stages. The EPA requests that the FERC and the Applicants fully consider the equitable distribution of benefits as an important part of the EJ analysis and its decision-making process and continue to work closely and collaboratively with the EJ communities and other potentially affected stakeholders as the project proceeds.

Air Permitting and New Source Performance Standards: The EPA notes from the FEIS that the Applicants will be required to obtain state air permits for the proposed compressor stations. Also, the FEIS indicates on page 3-257 that the estimated emissions from the Sabal Trail Project pipeline are 68.7 tons per year (tpy) of volatile organic compounds (VOCs) and GHG emissions (as methane) of 15,415.6 tpy CO₂e ('Carbon dioxide equivalents'). As shown in tables 3.12.1-10 and 3.12.1-12 of the FEIS, the potential to emit ('PTE') at the new SMP Project compressor stations and the new FGT Hunters Creek M&R station would not exceed the Clean Air Act Amendments Title V major source threshold for any regulated pollutant. Therefore, the FERC states: "...these facilities would not be required to obtain Title V Operating Permits and would only be required to obtain the state operating permits". New Source Performance Standards for the proposed operating facilities and equipment of the pipeline are detailed on pages 3-243 and 3-244 of the FEIS.